THE ADAMSON LAW: THE EMPLOYERS' VIEWPOINT

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I WAS much relieved to find that Mr. Straus hasn't expected to settle this question tonight. I want to, if I may, discuss it from a little broader standpoint than that of schedules. I will not go into these questions of schedules because I am not competent to discuss them, but I might mention to you one illustrative item. A locomotive engineer who pilots your train from Jersey City to Washington is on duty six hours and twenty minutes, and draws $9.23 pay. There are dozens of illustrations of that kind.

Another point to which attention might be called is the thing that differentiates railroads from other lines of business, and that is the minute regulation of their business. There is an artificial limit upon their profits, which is at the same time a limit upon their ability to do all that they would like to do for Mr. Carter and his associates; they must take this into account every time these questions come up, because the railroad officials know that they must defend everything they do.

I shall run rapidly over the history of this labor question, first taking you back to 1898, when the so-called Erdman Act for mediation of railway disputes was enacted. The first call under that act was from the brotherhood of railway trainmen. That law went along until 1913. It was not satisfactory to either side. But through the diplomacy of our good friend of whom Mr. Carter has spoken, Mr. Seth Low, representatives of both sides got together in New York, went to Washington and in the President's office in the White House all agreed upon the phraseology of what is known as the Newlands Act. That agreement was made on a certain afternoon, and by 6.30 the next afternoon it had been through both Houses of Congress and had been signed by President Wilson. Al-

most simultaneously with that was the passage of an appropriation bill which contained a provision that none of the money appropriated by that bill could be used for the prosecution of labor unions under the anti-trust act. In the following year the Clayton bill was passed which imposed a number of prohibitions upon the use of the courts against labor interests under the anti-trust act. I am not mentioning this to argue it, but simply reciting the facts. Thus we come to the year 1916, and for the first time representatives of all the brotherhoods in train service united in a demand for what they called an eight-hour day This was nation-wide instead of as before by individual roads or by regions. The managers' committee was formed, of which Mr. Elisha Lee was made chairman. This committee offered to have the matter arbitrated by the interstate commerce commission or under the Newlands Act. These offers were rejected. As Mr. Carter said, both sides were invited to Washington. A few days after their arrival there the President asked the railway executives of the United States to come there to meet him. And there were at one time in Washington more men high up in railroad circles than had ever before been assembled anywhere together. All responded promptly and cordially to the invitation of the President.

He said to us: " It seems to me there is a sort of immobility about my dealings with the general managers. I don't seem to be making progress. I should not be candid with you if I did not say that I am committed to the eight-hour day. I think it is sanctioned by the judgment of society; it is on the way, and you gentlemen ought to give in to it." He then went on to make a proposal under which both sides might accept the eight-hour day, although he was candid enough to say what we know to be true and what he knew to be true, that men in train service cannot be limited to eight hours, and that frequently men worked less than eight hours and got a full day's pay. However, he said that he did not consider the eight-hour question arbitrable, and this notwithstanding the provision of the Newlands Act which he had signed three years earlier, and which distinctly declared wages, hours of service and conditions of employment alike arbitrable.

He also indicated to us that he would use his best efforts to get for us an increase in rates to make up for the increase of expense. We were immediately confronted by several questions. In the first place, what was our duty to investors? Whatever you may think of it, the transportation facilities of this country are dependent on private capital. There can be no extension under our present plan and methods except by obtaining additional capital from investors from time to time. So what was our duty to investors? Should we give up $60,000,000 a year without investigation? What was our duty as employers to you? If the centuries have brought us anything, they have brought us a disposition to settle disputes peaceably instead of by war. Should we in your interest throw on the scrapheap the principle of arbitration? What was our duty to you as shippers and passengers on our trains? How could we look you in the face if we asked for an increase in rates to make up for an increase of wages which we ourselves thought ought not to be granted without an investigation? And last, what was our duty to a million four hundred thousand other employees who were not threatening us or threatening you?

The railroad managers' committee when they got to Washington offered to leave the whole matter to a commission to be appointed by the President, thus placing themselves unreservedly in the hands of the President. Our executives reiterated that proposal to the President, but it was rejected. We were willing in your interest not to insist upon arbitration, but to leave it to a commission to be selected by the President, and to have no choice in selecting the personnel of that commission. The President went to Congress, as you all know, and the Adamson bill was passed. I wonder if the employees who are troubled about the ambiguities of arbitration awards are happy about the clarity of the Adamson bill!

The President laid before Congress at that time a very well-balanced statement of the situation. He proposed a program of six items, only two of which were enacted. He made a fair statement of what had happened, except that in one sentence of his address, (which I had the pleasure of hearing) he en-

tirely misrepresented our position or did not understand it. After reciting the methods he had tried to apply to bring about a friendly settlement, he said that the railway executives preferred to test this question by the sufferings of the people. It was not we who acted in that way. Our purpose was to have a peaceful settlement, and I speak of it not in criticism but with regret that the President did not comprehend the spirit which moved us. Another thing left unsettled was the demand for time and a half for overtime, as Mr. Carter has said. The President proposed to us to leave this open for future arbitration or dispute. We thought we had better take it all at one bite, because the same men who threatened us and you in August could threaten us and you in January.

Now we have the Adamson law. I will not read it; it is very brief and you know generally of its terms. I will only say that the Adamson Act is in effect not an eight-hour law at all. There is not a line in it restricting the men to eight hours continuous employment. For that matter, the government's men in train service (railway postal clerks) are not limited to *sixteen* hours a day, as other men in train service are. If the employees want the validity of the act sustained, it is in their interest that it should be taken as soon as possible to the Supreme Court of the United States.

If the law is found to be valid, Congress has entered upon a new field full of interesting possibilities—that is, the regulation of wages of employees engaged in interstate service. For example, if Congress has the power to prohibit a decrease in wages, has it the power to prohibit increases? If it has the power of regulating wages, must the wages be just and reasonable, as railway rates are required by law to be? And if so, shall Congress determine what are just and reasonable wages for all railway employees instead of for trainmen only? Will Congress attempt to regulate all these things directly or through a commission? If through a commission, will its findings be mandatory alike upon the employees and upon the companies? If railway capital is enlisted in the public service with obligation to continue it without interruption, will railway employees also be enlisted? If Congress or a commission raises all rail-

way wages, will it raise the rates simultaneously or will investors have to wait for tedious hearings before various commissions? How will new facilities be provided if wage demands have to be acceded to without investigation? Will the equivalent be made up to investors, and if so out of what earnings?

These are only a few of the many interesting questions that will undoubtedly be raised. You will see that it is a matter of prime importance to determine as soon as practicable what is the extent of the power of Congress over wages and whether it is applicable only to employees of common carriers or also to other employees engaged in interstate commerce. Wage increases are being accorded in all directions by different industries, and I am sure railway executives and directors want all their employees to be relatively well paid.

It would simplify this problem very much to repeal the law passed by Congress in 1910 permitting the suspension for ten months of increases in rates proposed by the railways. This law immediately put the railroads in another class from other industries, and put a limitation upon wages as well as upon the improvement of facilities that it has not put on other industries.

In studying the wage question, we can not avoid studying the things that go hand in hand with it. We must get the perspective. You can't deal with it out of its perspective. If the public feel it in their interest to regulate increases of rates at the very time that the makers of steel rails have advanced prices ten dollars a ton and thousands of other commodities have been increased in price, then will the public say, by act of Congress or otherwise, what is the duty of the railways to the employees? The employees' interest as well as the interest of the investors should be safeguarded.

The railway officers twice during the negotiations last summer offered to leave the whole matter in dispute to the determination of a commission to be appointed by the President of the United States, as I have said. This was rejected, but at least the offer evidenced the earnest desire of the executives to substitute peaceful methods for warfare. It seemed to them

that the public would commend them for placing themselves thus unreservedly in the hands of the government without any opportunity to choose a representative in the commission.

A second thing which will help simplify the wage problem is the regulation of all roads engaged in interstate commerce by the federal government. I hope you will advocate that.

The Locomotive Engineer's Journal said a few months ago, "No other business in the world but this can stand for forty-nine masters." May I say that the Newlands commission, which has commenced its hearings in Washington, has authority to go into all of these questions, and should provide impartially for safeguarding both employees and investors. The question cannot be satisfactorily disposed of out of its whole environment.